

August 20, 1997

TO: Minerals File

FROM: Joelle Burns, Engineering Tech *JB*

RE: Phone Conversation Regarding Status of Interstate Brick Company's, Koosharem Mine, M/031/002, Piute County, Utah

I received a phone call today from Don Fullmer regarding the Koosharem Mine. Interstate Brick Company is operating this mine under a clay lease which is owned by Don Fullmer. Interstate Brick no longer wants to sublease this property from Mr. Fullmer. Interstate's agreement with Mr. Fullmer will expire 90 days from August 15th (the date they notified him of their intentions to no longer lease the property). Mr. Fullmer inquired what needed to be done with this project as he did not want it to be reclaimed and he said he would take over the responsibility at the site.

I informed Mr. Fullmer, that he needed to submit a Transfer Form along with Reclamation Surety and a Reclamation Contract. We would have to present this to our Board for approval, as the bond would be changed. I informed him that we would need to inspect the project in order to recalculate the bond and it would have to be escalated to 2002 dollars. I informed him of the current bond amount we had on file with Interstate Brick. I also informed him of our deadlines of September 8th and October 6th for the respective September 24th and October 22nd Board Hearings. I told him we we need a draft copy of the documents a week or so before the deadlines.

Mr. Fullmer said he had an agreement with Interstate Brick that if they backed out of the operation before reclamation occurred, they would pay Fullmer's 85% of the reclamation cost and would we be any part of that agreement? I informed him that the Division would not be involved with any agreement he had made with Interstate Brick. That he would need to submit the entire surety amount and after the Board gave approval, we would then release Interstate Brick's surety to them.

I faxed a Transfer Form, Reclamation Contract, and a Letter of Credit form to Mr. Fullmer today. In turn, I asked Mr. Fullmer to provide us with a written letter stating his intentions. He agreed to do so.

Mr. Fullmer's address and phone is: Paradise Management Company, 1025 North Main, Fillmore, Utah 84631, phone (801) 743-5848 - Fax number (801) 743-5844.

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